

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
NORTHERN DIVISION**

IN RE:  
WILLIAM AND SHELIA LISMAN,  
Debtors,

Case Number  
19-80145-CRJ-13

WILLIAM AND SHELIA LISMAN,  
Plaintiffs,

v. Adversary Proceeding No:  
19-80026-CRJ  
REGIONS BANK  
Defendant.

**MOTION TO APPROVE COMPROMISE AND SETTLEMENT AND APPLICATION FOR  
APPROVAL OF ATTORNEY FEES**

Comes Now, William and Shelia Lishman (the "Debtors") and Regions Bank (together with the Debtor, the "Movants") and hereby move this Court pursuant to 11 U.S.C. § 105 and Rule 9019 of the Federal Rules of Bankruptcy Procedure for the entry of an Order approving the compromise and settlement described herein. In support of the Joint Motion to Approve Compromise, Movants show unto the court as follows.

**JURISDICTION AND PROPOSED NOTICE**

1. The Motion is being brought pursuant to 11 U.S.C. § 105 and Rule 9019(a) of the Bankruptcy Rules.
2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334(b). This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
3. In accordance with Bankruptcy Rules 9019(a) and 2002, the Motion is being served on all parties-in-interest and all parties filing an appearance notice.

**FACTUAL BACKGROUND**

4. This adversary proceeding arises from Lishman's allegations that Regions Bank violated the automatic stay imposed by 11 U.S.C. § 362.
5. In this adversary proceeding, Debtors allege that Regions Bank violated the Automatic Stay by continuing to contact them demanding payment for pre-petition mortgage arrearage after the bankruptcy was filed.

6. Regions Bank denies all wrongdoing as alleged in the Adversary Proceeding.

#### **TERMS OF THE PROPOSED SETTLEMENT**

7. After negotiation, and in the interest of avoiding the uncertainties associated with litigation, the parties have agreed to a compromise and settlement of the claim on the terms and conditions set forth herein.
8. The terms of the proposed settlement are as follows:
  - a. Regions Bank shall pay to Debtors counsel a total of \$7,500.00 to settle any and all claims arising from this adversary proceeding.
  - b. This amount includes all costs and fees, including but not limited to the Lishman's attorney fees;
  - c. Pursuant to 11 U.S.C. §362(k)(1), Regions Bank shall pay to Lishman's counsel a total of \$7,500.00 to settle any and all claims arising from this adversary proceeding. Debtor's Counsel requests to retain \$6,000.00 of the settlement representing 20.50 hours for the work performed in the preparation and prosecution of the adversary proceeding at an hourly rate of \$350.00. Counsel has worked diligently on this case since May 10, 2019 and will continue to do so until the proceeding closes. Counsel has reduced his fee from \$7,175.00 to \$6,000.00. Regions Bank shall also pay \$750.00 to the Debtors as allowed by their exemptions. Regions Bank shall also pay \$750.00 to Michele Hatcher, Chapter 13 Trustee to be applied towards the Debtor's bankruptcy estate. Defendant is to disburse funds to all parties within 30 days from the date of this order.
  - d. Regions Bank shall be allowed a secured claim for the total amount of pre-petition and post-petition mortgage arrearage due in this case.

#### **RELIEF REQUESTED**

9. The parties jointly request that this Court approve the settlement that has been reached by all parties in which all of the issues in the claim will be resolved. The settlement of this claim is a result of good faith, arm's length negotiations between the respective attorneys for the parties and after a thorough review of the merits of the case.
10. The settlement of the claims in this adversary proceeding meets all applicable legal standards and is well within the range of reasonableness.
11. The approval of a compromise and settlement in a bankruptcy case is within the sound discretion of the court and will not be disturbed or modified on appeal unless approval or disapproval of the settlement is an abuse of discretion. *Rivercity v. Herpel (In re Jackson Brewing Co.)*, 624 F.2d 599,

602-603 (5<sup>th</sup> Cir. 1980). To properly exercise this discretion, the bankruptcy court must consider whether the compromise proposed “falls below the lowest point in the range of reasonableness.” *Anaconda-Ericsson, Inc. v. Hessen (In re Teltronics Servs. Inc.)*, 762 F.2d 185, 189 (2d Cir. 1985) (internal citation omitted).

12. The Eleventh Circuit has held a bankruptcy court must consider and evaluate the following factors:

- (a) the probability of success in the litigation;
- (b) the difficulties, if any to be encountered in the matter of collection;
- (c) the complexity of the litigation involved, and the expense, inconvenience, and delay necessarily attending the litigation; and,
- (d) the paramount interest of the creditors and a proper deference to their reasonable views in the premises. *Wallis v. Justice Oaks II Ltd. (In re Justice Oaks II Ltd.)*, 898 F.2d 1544, 1549 (11<sup>th</sup> Cir. 1990). When making an evaluation, a court must not rest its approval of the settlement on a resolution of the ultimate factual and legal issues underlying the compromised disputes. *Teltronics* at 189. Rather, the court should consider the probable outcome of the litigation, including its advantages and disadvantages, and should make a pragmatic decision based on all equitable factors. *Florida Trailer and Equip. Co. v. Deal*, 284 F.2d 567, 571 (5<sup>th</sup> Cir. 1960).

13. Federal Rule of Bankruptcy Procedure 9019 provides that, after conducting a hearing on notice to creditors, the bankruptcy court may approve a compromise and settlement. To assure a compromise is proper in a given case, the court must be apprised of the necessary facts for an intelligent, objective, and educated evaluation and compare the “terms of the compromise with the likely rewards of litigation.” *Protective Comm. for Independent Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424-425 (1968).

14. The settlement proposed in this motion clearly meets the standard for approval under Federal Rule of Bankruptcy Procedure 9019 and is in the best interests of the bankruptcy estate. The settlement was reached after thorough analysis of the merits of Lishman’s claims and the defenses of Regions Bank with regard to the claims asserted in the adversary proceeding.

**WHEREFORE**, the parties ask this Court to enter an order approving the settlement described in this motion.

/s/ John C. Larsen  
John C. Larsen  
Attorney for the debtor/plaintiff,

OF COUNSEL:  
LARSEN LAW P.C.  
1733 Winchester Road  
Huntsville, Alabama 35811  
(256) 859-3008  
[john@larsenlaw.com](mailto:john@larsenlaw.com)

**CERTIFICATE OF SERVICE**

The undersigned certifies that a copy of the foregoing has been served upon all creditors listed on the mailing matrix and all attorneys of record by electronic notice and/or by depositing a copy thereof in the United States Mail, properly addressed and postage prepaid, on this the 31<sup>st</sup> day of July, 2019.

W. L. Longshore, III  
Attorney for Defendant Regions Bank  
Jauregui, Lindsey, Longshore, & Tingle  
2009 Second Avenue North  
Birmingham, AL 35203  
[blongshore@jandllawfirm.com](mailto:blongshore@jandllawfirm.com)

A copy was served electronically on Michele Hatcher, Chapter 13 Trustee, and Richard Blythe, Bankruptcy Administrator, on this the 31<sup>st</sup> day of July, 2019.

/s/ John C. Larsen

Label Matrix for local noticing  
1126-8  
Case 19-80145-CRJ13  
NORTHERN DISTRICT OF ALABAMA  
Decatur  
Wed Jul 31 14:06:47 CDT 2019

U. S. Bankruptcy Court  
400 Well Street  
P. O. Box 2775  
Decatur, AL 35602-2775

Ashley Funding Services, LLC  
Resurgent Capital Services  
PO Box 10587  
GREENVILLE, SC 29603-0587

PRA Receivables Management, LLC  
PO Box 41021  
Norfolk, VA 23541-1021

Alabama Cardiology  
4700 Whitesburg Dr Ste 200  
Huntsville, AL 35802-1686

Alliance Collection Service, Inc  
Attn: Bankruptcy  
Po Box 49  
Tupelo, MS 38802-0049

Allstate Insurance  
725 Canton St. NW  
Norwood, MA 02062-2679

AmSher Collection Srv  
4524 Southlake Parkway  
Ste 15  
Hoover, AL 35244-3271

AmeriMark  
PO Box 2845  
Monroe, WI 53566-8045

Amerimark  
c/o Creditors Bankruptcy Service  
P.O. Box 800849  
Dallas, TX 75380-0849

Bank Of America  
4909 Savarese Circle  
Fl1-908-01-50  
Tampa, FL 33634-2413

Capital One  
Attn: Bankruptcy  
Po Box 30285  
Salt Lake City, UT 84130-0285

Carol Wright  
P.O. Box 2851  
Monroe, WI 53566-8051

Cavalry Portfolio Services  
Attn: Bankruptcy Department  
500 Summit Lake Ste 400  
Valhalla, NY 10595-2322

Cavalry SPV I, LLC  
500 Summit Lake Drive, Ste 400  
Valhalla, NY 10595-2321

Chase Card Services  
Correspondence Dept  
Po Box 15298  
Wilmington, DE 19850-5298

Comenitybank/onestop  
Attn: Bankruptcy Dept  
Po Box 18215  
Columbus, OH 43218

Convergent Outsourcing, Inc.  
Attn: Bankruptcy  
Po Box 9004  
Renton, WA 98057-9004

Credit First National Association  
Attn: Bankruptcy  
Po Box 81315  
Cleveland, OH 44181-0315

Credit Management, LP  
Attn: Bankruptcy  
Po Box 118288  
Carrollton, TX 75011-8288

Credit One Bank  
Attn: Bankruptcy  
Po Box 98873  
Las Vegas, NV 89193-8873

Crestwood Medical Center  
P.O. Box 188  
Brentwood, TN 37024-0188

Crestwood Medical Center  
c/o PASI  
PO Box 188  
Brentwood, TN 37024-0188

Direct Charge  
1112 7th Ave.  
Monroe, WI 53566-1364

Direct Charge  
c/o Creditors Bankruptcy Service  
P.O. Box 800849  
Dallas, TX 75380-0849

Discover Bank  
Discover Products Inc  
PO Box 3025  
New Albany, OH 43054-3025

Discover Financial  
Po Box 3025  
New Albany, OH 43054-3025

Dr Leonards Shop Now  
c/o Creditors Bankruptcy Service  
P.O. Box 800849  
Dallas, TX 75380-0849

Fingerhut  
Attn: Bankruptcy  
Po Box 1250  
Saint Cloud, MN 56395-1250

Genesis Bc/celtic Bank  
Attn: Bankruptcy  
268 South State Street Ste 300  
Salt Lake City, UT 84111-5314

Horizon Card Services  
P.O. Box 1275  
Indiana, PA 15701-5275

Indigo Master Card  
P.O. Box 4488  
Beaverton, OR 97076-4402

IVNV Funding, LLC  
Resurgent Capital Services  
PO Box 10587  
Greenville, SC 29603-0587

Lane Bryant  
500 South Mesa Hills Dr.  
El Paso, TX 79912-5686

MDS/Medical Data Systems  
2001 9th Avenue  
Suite 312  
Vero Beach, FL 32960-6413

Mason  
P.O. Box 2808  
Monroe, WI 53566-8008

Mason  
c/o Creditors Bankruptcy Service  
P.O. Box 800849  
Dallas, TX 75380-0849

Massey's  
c/o Creditors Bankruptcy Service  
P.O. Box 800849  
Dallas, TX 75380-0849

Masseys  
P.O. Box 2822  
Monroe, WI 53566-8022

Microf  
P.O. Box 70085  
Albany, GA 31708-0085

Midland Funding  
2365 Northside Dr Ste 300  
San Diego, CA 92108-2709

Midland Funding LLC  
PO Box 2011  
Warren, MI 48090-2011

Midnight Velvet  
Swiss Colony/Midnight Velvet  
1112 7th Ave  
Monroe, WI 53566-1364

Montgomery Ward  
c/o Creditors Bankruptcy Service  
P.O. Box 800849  
Dallas, TX 75380-0849

NetCredit  
175 W. Jackson Blvd., Suite 1000  
Chicago, IL 60604-2863

OneMain Financial  
Attn: Bankruptcy  
601 Nw 2nd Street  
Evansville, IN 47708-1013

OneMain Financial  
PO Box 3251  
Evansville, IN 47731-3251

Portfolio Recovery  
Po Box 41021  
Norfolk, VA 23541-1021

(p) PORTFOLIO RECOVERY ASSOCIATES LLC  
PO BOX 41067  
NORFOLK VA 23541-1067

Publishers Clearing House  
P.O. Box 6344  
Harlan, IA 51593-1844

Quantum3 Group LLC as agent for  
Comenity Bank  
PO Box 788  
Kirkland, WA 98083-0788

Quantum3 Group LLC as agent for  
GPCC I LLC  
PO Box 788  
Kirkland, WA 98083-0788

Regions Bank  
Loss Mitigation Department  
P.O. Box 10063  
Birmingham, AL 35202-0063

Roy Sleep Medicine  
3500 Memorial Parkway  
Huntsville, AL 35801

Seventh Avenue  
1112 7th Avenue  
Monroe, WI 53566-1364

Seventh Avenue  
c/o Creditors Bankruptcy Service  
P.O. Box 800849  
Dallas, TX 75380-0849

Synchrony Bank/Care Credit  
Attn: Bankruptcy Dept  
P.O. Box 965061  
Orlando, FL 32896-5061

Target  
Target Card Services  
Mail Stop NCB-0461  
Minneapolis, MN 55440

Walter Drake  
P.O. Box 2861  
Monroe, WI 53566-8061

John C. Larsen  
Larsen Law, P.C.  
1733 Winchester Rd  
Huntsville, AL 35811-9190

Michele T. Hatcher  
Chapter 13 Trustee  
P.O. Box 2388  
Decatur, AL 35602-2388

Shelia Lishman  
9626 Dortmund Dr. SE  
Huntsville, AL 35803-1114

William Lishman  
9626 Dortmund Dr. SE  
Huntsville, AL 35803-1114

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g)(4).

Portfolio Recovery Associates, LLC  
POB 41067  
Norfolk VA 23541

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(d) Ashley Funding Services, LLC  
Resurgent Capital Services  
PO Box 10587  
Greenville, SC 29603-0587

(d) PRA Receivables Management, LLC  
PO Box 41021  
Norfolk, VA 23541-1021

End of Label Matrix	
Mailable recipients	62
Bypassed recipients	2
Total	64